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FISCAL IMPACT STATEMENT

LS 7171

BILL NUMBER: HB 1561

NOTE PREPARED: Feb 25, 2009

BILL AMENDED: Feb 23, 2009

SUBJECT: High Speed Internet Service Initiative.

FIRST AUTHOR: Rep. Van Haaften

FIRST SPONSOR: Sen. Hershman

BILL STATUS: As Passed House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Economic Development Corporation to: (1) develop a High Speed Internet Service Deployment and Adoption Initiative; and (2) create a statewide geographic information system of telecommunications and information technology services.

Effective Date: July 1, 2009.

Explanation of State Expenditures: *Indiana Economic Development Corporation (IEDC):* This bill requires the IEDC to develop a high speed internet service deployment and adoption initiative that includes the creation of a statewide geographic information system (GIS) of available telecommunications and information technology services, including high speed internet service. The IEDC could download the GIS software for free from the Indiana Office of Technology. Then, at least one staff person at IEDC could register for a GIS class that is offered almost every month to state employees for a one-time cost of \$100. Other costs related to implementing the High-Speed Internet Service Deployment and Adoption Initiative are unknown.

(Revised) *Indiana Finance Authority:* The bill specifies that the IEDC should consult with the Indiana Finance Authority to avoid unnecessary duplication of efforts. Also, for the purposes of the Indiana Broadband Development Program, the bill changes the speed in the definition of "broadband services" from 200 kilobits per second in at least one direction to 768 kilobits per second in at least one direction to comply with the speed in this bill's high speed internet service deployment and adoption initiative. IC 8-1-33-8 established the Indiana Broadband Development Program to be administered by the Indiana Finance Authority in 2005. Due to administrative constraints, this program has not been active.

(Revised) *Background Information* - The IEDC is required to utilize the GIS to map the availability of high speed internet service, including the percentage of households that have access to high speed internet service by census blocks, and to identify areas where high speed internet service is unavailable. Also, the map utilized by the IEDC must use the Federal Communications Commission benchmark rates for broadband service to identify different speed tiers. The IEDC is required to update the GIS at least every 6 months, as well as share the GIS, including updates, with the Indiana Geographic Information Council.

The bill provides that the IEDC may enter into a contract to fulfill all or part of the provisions of this bill. Additionally, the bill provides that the IEDC may apply for state broadband data and development grants under the federal Broadband Data Improvement Act and the American Recovery and Reinvestment Act of 2009.

(Revised) *Federal Communications Commission Benchmark Rates:*

- (1) greater than 200 kilobits per second (kbps) and less than 2.5 megabits per second (mbps);
- (2) greater than or equal to 2.5 mbps and less than 10 mbps;
- (3) greater than or equal to 10 mbps and less than 25 mbps;
- (4) greater than or equal to 25 mbps and less than 100 mbps; and
- (5) greater than or equal to 100 mbps.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Economic Development Corporation.

Local Agencies Affected:

Information Sources: Jim Sparks, Indiana Office of Technology, 317-234-5889, Jennifer Alvey, Indiana Finance Authority, 317-233-4338; Local Telephone Competition and Broadband Reporting, Report and Order, WC Docket No. 04-141, 19 FCC Rcd 22340 (2004).

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